

## Message Text

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71

ACTION IO-14

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

EB-11 INR-10 NSAE-00 RSC-01 FAA-00 SS-20 NSC-07 L-03

DRC-01 DOTE-00 /102 W

----- 061435

R 111614Z MAR 74

FM AMCONSUL MONTREAL

TO SECSTATE WASHDC 4487

UNCLAS MONTREAL 0313

FROM USREP ICAO

E. O. 11652: N/A

TAGS: ETRN, CA

SUBJ: SECOND REPORT OF THE PANEL ON ROUTE FACILITY COST ACCOUNTING  
AND COST ALLOCATION

1. AS MEETING PROGRESSED ADDITIONAL WORKING PAPERS WERE INTRODUCED BY VARIOUS PANEL MEMBERS AND A NUMBER OF WORKING GROUPS WERE SET UP TO STUDY MORE PRECISE GUIDELINES FOR COST ACCOUNTING AND COST ALLOCATION. FINLAND INTRODUCED A VERY CONTROVERSIAL PAPER RELATING TO REFLECTION OF COST INCREASES TO STATES INDUCED BY INFLATION. THE U.S. PANEL MEMBER WAS INSTRUMENTAL IN PERSUADING THE PANEL THAT THE COST ACCOUNTING GUIDELINES SHOULD NOT REFER TO THIS DELICATE SUBJECT.

2. SUPPLEMENTARY PAPERS WERE INTRODUCED BY THE FEDERAL REP. OF GERMANY ON COMPUTATION AND ALLOCATION OF COSTS FOR AERONAUTICAL MET SERVICES AND BY FRANCE ON A PROPOSED METHOD FOR DETERMINING THE PART OF MET COSTS WHICH COULD DIRECTLY OR INDIRECTLY BE ALLOCATED TO CIVIL AVIATION.

3. WITH RESPECT TO THE QUESTION OF THE FEASIBILITY OF LISTING ATS AND COM COSTS SEPARATELY OR WHETHER THE TWO CATEGORIES MIGHT BE COMBINED, SEVERAL PANEL MEMBERS FAVORED SUCH A SEPARATION AND FORESAW NO DIFFICULTIES IN A SEPARATION OF THIS TYPE,  
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HOWEVER, OTHERS THOUGHT THAT THIS WOULD BE EXTREMELY COMPLI-

CATED. THE PANEL FINALLY DECIDED THAT ITS MEMBERS SHOULD PROVIDE THE SECRETARY WITH BRIEF SUMMARIES OF ROUTE FACILITY AND COST ACCOUNTING METHODOLOGIES EMPLOYED IN THEIR RESPECTIVE STATES. THE MATERIAL COLLECTED WOULD CONSTITUTE A VALUABLE REFERENCE SOURCE FOR THE SECRETARIAT WHEN IT PREPARED THE DRAFT FORMAT FOR THE COLLECTION OF ENROUTE FACILITY AND SERVICES FINANCIAL AND TRAFFIC DATA. THE SECRETARIAT WOULD PROVIDE THE PANEL MEMBERS WITH THE MATERIAL SO THAT THE PANEL WOULD HAVE AN ADEQUATE BASIS FOR CONSIDERING AT ITS NEXT SESSION THE FORMAT OF THE BIENNIAL DATA COLLECTION.

4. REGARDING A MORE COMPLETE DESCRIPTION OF AERONAUTICAL MET THAN THAT SET FORTH IN APPENDIX 2 OF THE COUNCIL STATEMENT, THE PANEL DECIDED THAT THE FIRST SENTENCE OF THE PARAGRAPH IN APPENDIX 2 TO DOC 9082 COULD REMAIN UNCHANGED, BUT THAT FURTHER GUIDANCE SHOULD BE OFFERED TO STATES BY INCORPORATING INTO THE COST ACCOUNTING GUIDELINES AN APPROACH WHICH WOULD DESCRIBE THE VARIOUS REQUIREMENTS, AERONAUTICAL AND NON-AERONAUTICAL, PLACED ON A STATE'S MET SERVICES AND BASING THE SUBSEQUENT COST ALLOCATION THEREON.

5. ON THE MATTER OF WHETHER A VALID BASIS EXISTED FOR ALLOCATING ALL AERONAUTICAL MET TO ENROUTE, SOME MEMBERS FELT THAT THE PRESENT COUNCIL ADVICE WAS ADEQUATE SINCE THEY BELIEVED THAT THE COSTS ALLOCABLE TO AIRPORTS ARE MINIMAL, BUT THE TASK OF DETERMINING IT WAS COMPLEX AND UNLIKELY TO YIELD CONSISTENT RESULTS. THE PANEL THEREFORE CONCLUDED THAT THE DECISION OF WHETHER AND HOW TO ALLOCATE MET COSTS BETWEEN AIRPORT AND ENROUTE UTILIZATION COULD BEST BE LEFT TO STATES, AND RECOMMENDED THAT APPENDICES 1 AND 2 OF DOC 9082 BE ACCORDINGLY AMMENDED.

6. FINALLY ON THE MATTER OF ANCILLARY SERVICES, THE PANEL CONCLUDED THAT THE PRESENT TEXT OF THE COUNCIL STATEMENT SHOULD REMAIN UNCHANGED. THIS WAS IN ACCORD WITH THE U.S. POSITION. IN POINT OF FACT, PRACTICALLY ALL U.S. SUGGESTIONS WERE FAVORABLY RECEIVED. THE NEXT MEETING OF THE PANEL WILL BE HELD OCTOBER 28 - NOVEMBER 1, 1974, MONTREAL.  
HARPER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, COSTS, MEETINGS, MEETING REPORTS, AIR ROUTES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition Event:**  
**Disposition History:** n/a  
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**Document Number:** 1974MONTRE00313  
**Document Source:** CORE  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
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**Office:** ACTION IO  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 30 JUL 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <30 JUL 2002 by elbezefj>; APPROVED <06 DEC 2002 by shawdg>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SECOND REPORT OF THE PANEL ON ROUTE FACILITY COST ACCOUNTING AND COST ALLOCATION  
**TAGS:** ETRN, CA, US  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005